

1 **UNITED STATES DISTRICT COURT**
2 **CENTRAL DISTRICT OF CALIFORNIA**

3 *In re: Hyundai and Kia Engine*
4 *Litigation*

8:17-cv-00838-JLS-JDE

Related Cases:

8:17-cv-01365-JLS-JDE

8:17-cv-02208-JLS-JDE

2:18-cv-05255-JLS-JDE

8:18-cv-00622-JLS-JDE

8:18-cv-02223-JLS-JDE

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10 **DECLARATION OF ADAM GONNELLI IN RESPONSE TO THE**
11 **COURT’S APRIL 16, 2021 ORDER (DKT. 196)**

12 I, Adam Gonnelli, hereby declare under penalty of perjury pursuant to 28
13 U.S.C. § 1746 that the following is true and correct:

14 1. I am a member in good standing of the bar of New York and am
15 admitted *pro hac vice* in this case. I am counsel for Plaintiffs and the Settlement
16 Class. I respectfully submit this Declaration in response to the Court’s Order of
17 April 16, 2021 (Dkt.196). The following is based on my communications with
18 defendants’ counsel and review of claims data by Class Counsel. If called upon to
19 do so, I could and would competently testify to the statements set forth below.

20 2. The discrepancy between the October 28, 2020 and December 10,
21 2020 Hyundai data is due to the fact that when Plaintiffs’ counsel and their expert
22 reviewed the data for the November 6, 2020 filing, they included all Hyundai
23 claims submitted. When Hyundai reported the claims in the December 17, 2020
24 filing, Hyundai excluded claims over \$50,000 for towing or repairs from the data
25 because Hyundai considered these claims facially implausible. If the face value of
26 claims over \$50,000 is put back into the December 10 data, the face value rises
27 from \$29,979,908.83 to \$47,499,912.93. A claim with a face value of \$1 billion
28 was also flagged early in the claims process and removed.

3. The data the Court requested on the status of Hyundai claims processing follows. Other than the \$1billion claim, face values are included without adjustment:

Hyundai	Claims Submitted	Approved or Tentatively Approved	Approved (not tentative)	Denied	Pending
Benefits Claimed	59,986	5,847	3,648	25,098	29,040
Face Value Claimed	\$80,093,196.72	\$10,640,023.12	\$7,734,408.43	\$22,227,674.88	\$47,225,498.72
Amount Actually Approved			\$4,974,635.67		

Notes:

Claims Submitted represents the number of benefits claimed rather than the number of claim forms submitted. For example, if a Class Member submits claims of \$200 for towing and \$800 for past repairs, Hyundai records that as two claims. For comparison with Kia, which counts Class Member claim forms submitted, 35,540 Hyundai Class Members submitted claim forms.

Approved or Tentatively Approved Claims includes claims that have been approved but for which the dollar value has not yet been calculated.

Amount Actually Approved represents the dollar amount approved for non-tentative claims. For example, if a Class Member submits a claim for \$1000 face value but only \$500 is approved it is recorded as an approved claim, but the Class Member will receive a lower amount than the face value of the claim.

4. Using Hyundai's December 10 approach, *supra* ¶ 2, and removing towing and repair claims over \$50,000, the current face value of submitted claims drops from \$80,093,196.72 to \$42,428,889.68.

5. There are still 29,040 benefits on which Hyundai has not made a determination. Of those, 388 are currently being reviewed by a Hyundai claims agent; 11,867 are awaiting material from a Class Member who responded to a

request for more information and stated they would provide more information; 4,528 are awaiting a response from a Class Member who has not responded to a request for more information; and 12,257 have not yet been reviewed by Hyundai.

6. The data the Court requested on the status of Kia claims processing follows:

Kia	Claims Submitted	Approved	Denied	Pending
Claim Forms	42,269	3,583	35,208	1,870
Face Value Claimed	\$43,914,702.50	\$5,938,959.24	\$33,397,811.90	\$2,683,322.29

7. At this point, Kia has processed 95% of claims and denied 85% of the claimed face value.

8. Class Counsel lacks confidence in Kia/Epiq's data and has been working extensively to review Kia claims.

9. Class Counsel has undertaken a manual review of 1,319 denials of fire claims, and estimates they have spent over 200 hours monitoring and reviewing the administration of Kia claims.

10. In addition, Class Counsel will review at least a sample of the Kia denials based on the lack of a Qualifying Repair.

11. Class Counsel notes that they do not have the same level of concern with the Hyundai denials, but out of an abundance of caution will sample Hyundai denials as well.

Dated: April 23, 2021



Adam Gonnelli